

BQC - 90 - 088

Date: October 22, 1990

To: Federally Certified Long Term Care Facilities
Bureau of Quality Compliance Staff

From: Larry Tainter, Director
Bureau of Quality Assurance

Subject: OBRA Provisions - Resident Funds

CFR 483.10 Resident Rights, addresses resident fund requirements effective 10/1/90. The regulations were enacted to provide protection for residents whose funds are managed by the facilities. In surveying facilities for compliance with this regulation, BQC surveyors will determine if:

- the facility is handling the funds upon request;
- safeguarding the funds;
- paying reasonable interest on funds that are held; and
- assuring the resident's ready access to their funds.

This requirement has generated many questions in regard to how to handle funds over and under \$50 as the law calls for funds under \$50 to be placed in non-interest bearing or petty cash funds.

A number of facilities have proposed setting up systems that maintain all resident funds in interest bearing accounts with a separate petty cash account using facility funds that is readily available for residents for withdrawals of up to \$50. Such systems are acceptable if these conditions are met:

1. Residents must have immediate access up to \$50 from a petty cash or non-interest bearing account.
2. Any resident funds in excess of \$50 must be in an interest bearing account; and
3. The funds of the residents must not be commingled with funds other than those of other residents.

If you have additional questions regarding this, please contact Jerome Cabala, Social Services Specialist, at 608-266-8482.

LT/JC/jh 3315

cc: -Board on Aging and Long Term Care
-Wis. Assoc. of Homes and Services for the Aging
-Wis. Assoc. of Nursing Homes
-Wis. Counties Association
-Wis. Medical Records Assoc. Cons. Committee
-Service Employees International Union
-Wis. Coalition for Advocacy
-Committee on Aging, Extended Care Facilities and HH Care
-Wis. Assoc. of Medical Directors
-George F. MacKenzie
-Director, Bureau of Health Care Financing
-Adm., Div. of Care & Treatment Facilities
-Jerry Sandlin, HCFA, Chicago